

June 21, 2012

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Chair Michael Torre and Planning Commission Members
City of Newport Beach
3300 Newport Blvd.
Newport Beach, CA 92658

RE: Newport Banning Ranch Affordable Housing Implementation Plan

Dear Chair Torre and Planning Commission Members:

The Kennedy Commission (the Commission) is a broad based coalition of residents and community organizations that advocates for the production of homes affordable for families earning less than \$20,000 annually in Orange County. Formed in 2001, the Commission has been successful in partnering and working with jurisdictions in Orange County to create strategic and effective housing and land-use policies that has led to new construction of homes affordable to lower income working families.

With a significant lack of quality affordable homes, it is evident that Orange County is a very expensive place to live in. While the economic downturn has allowed home prices to be at an all time low, many lower income working families are still not able to purchase a home and remain as renters; however, many of these renting families continually struggle financially to live in the city they work in. Over the past year, Orange County had the biggest rental increase in Southern California (13%) and compared to other cities in Orange County,¹ housing costs are significant higher in Newport Beach.²

As the City moves forward in the addressing housing needs for all income segments of the community, the Commission would like to acknowledge and commend the City's leadership in facilitating and encouraging the development of homes affordable to lower income families in the proposed Newport Banning Ranch development. The Commission believes the City is moving in the right direction in implementing an Affordable Housing Implementation Plan (AHIP) for Banning Ranch.

For the 2008-2014 Housing Element planning period, the City's total Regional Housing Needs Assessment (RHNA), including the un-accommodated portion of the 2000-2005 RHNA, for lower income households are: 451 homes at very low-income, 319 homes at low-income and; 442 homes at moderate-income.³ To address the remaining RHNA needs, the City identified Banning Ranch as an opportunity site suitable for residential development. More importantly, Banning Ranch provides a significant opportunity for the City to address its remaining RHNA needs for extremely low-, very low- and low-income households. Between 2010 and 2025, Banning Ranch is projected to represent 48

¹ Rising Rents May Signal a Housing Market Recovery, Los Angeles Times, March 13, 2012

² City of Newport Beach General Plan Housing Element Draft, p. 5-30 and 5-31, August 2011.

³ City of Newport Beach General Plan Housing Element Draft, p. 5-45, August 2011.

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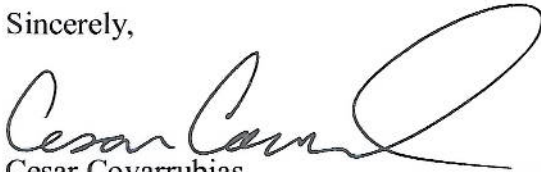
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percent of the City's total new units.⁴ In addition, Banning Ranch (subject to an AHIP), is expected to provide the following: very low-income homes at 5 percent of total units (69 homes) or; low-income homes at ten percent of total units (138 homes) or; moderate-income homes at 15 percent of total units (206 homes) or; a combination of all three income categories.⁵

The Commission supports the City's efforts in planning the development of homes affordable to lower income working families. The proposed AHIP implementation in Banning Ranch will not only provide quality and affordable homes for the City's work force, but it will also build and contribute to a more economically competitive and opportunity rich community.

Please keep us informed of any upcoming meetings and additional information on the proposed Newport Banning Ranch development and the implementation of the AHIP. If you have any questions, feel free to contact me at (949) 250-0909 or cesarc@kenedycommission.org.

Sincerely,



Cesar Covarrubias
Executive Director

cc: Melinda Coy, State Department of Housing and Community Development

⁴ Draft Environmental Impact Report Volume 1, Newport Banning Ranch Project, City of Newport Beach, p. 4.7-15, Sept. 2011.

⁵ City of Newport Beach Planning Commission Staff Report Agenda Item 3, p. 15, April 19, 2012.